

## Appendix A

### Town of Zionsville Policy on Materiality and Process for Reporting Material Items

For purposes of establishing a materiality threshold and reporting of material variances to the State Board of Accounts, the following shall serve as the Town of Zionsville's (the "Town") materiality policy.

Section 1. All erroneous or irregular variances, losses, shortages, or thefts of the Town subdivision funds or property, or funds or property the Town holds in trust, shall be reported to the Director of Finance and Records (the "Director") or their designee promptly.

Section 2. Within 60 days of being reported to the Director, the Director must report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of cash in excess of one thousand dollars (\$1000), except for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the Town.

Section 3. Within 60 days of being reported to the Director, the Director must report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of non-cash items in excess of five thousand dollars (\$5,000), estimated market value, except for those resulting from inadvertent clerical errors or misplacements that are identified timely and promptly corrected with no loss to the Town, and except for losses from genuine accidents.

Section 4. Town personnel are responsible for completing the following steps for each report filed under Section 2 and Section 3:

- A. All erroneous or irregular variances, losses, shortages, or thefts, regardless of dollar amount, will be tracked and maintained by the Director. Town's Deputy Mayor shall review the spreadsheet on a monthly basis.
- B. The Director or his/her designee will perform appropriate procedures based on his/her sole discretion which may include, but are not limited to the following:
  - i. Confirming the dollar value of the variance, loss, shortage, or theft.
  - ii. Obtaining relevant documentation supporting the variance, loss, shortage, or theft.
  - iii. Implementing internal control procedures to mitigate any risks identified as a result of the variance, loss, shortage, or theft.

Section 5. All Town elected officials are asked, and all Town of Zionsville employees and agents are directed, to comply with this policy, and the Town of Zionsville Town Council is asked to endorse it.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Amelia Anne Lacy, Director  
Department of Finance and Records

**RESOLUTION NO. 2016-\_\_\_\_\_**  
**OF THE TOWN OF ZIONSVILLE**

**A RESOLUTION REGARDING VARIANCE THRESHOLDS APPLICABLE TO THE  
TOWN OF ZIONSVILLE**

Whereas, IC 5-11-1-27(j) requires erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the State Board of Accounts; and

Whereas, State Examiner Directive 2015-6 directs each political subdivision to determine its own policy on materiality; and

Whereas, the Town of Zionsville does not condone any erroneous or irregular variances, losses, shortages, or thefts of political subdivision funds or property but recognizes that relatively small items may not justify the cost of the involvement of the State Board of Accounts; and

Whereas, the Director of Finance and Records has issued a directive, attached hereto as Appendix A, stating a policy on materiality and a process for reporting material items;

Now, therefore, be it resolved:

Section 1. The Town Council of the Town of Zionsville hereby endorses the Director of Finance and Records declaration, attached here to as Appendix A and incorporated herein by reference, regarding a policy on materiality and a process for reporting material items.

Section 2. The Town Council of the Town of Zionsville calls upon the Director of Finance and Records and all Town of Zionsville officials, employees, and agents to enforce and comply with the policy on materiality and process for reporting material items and to report noteworthy items to the Deputy Mayor.

Section 3. The Town Council of the Town of Zionsville directs its Deputy Mayor to monitor, as it deems necessary, compliance with the policy on materiality and process for reporting material items and report noteworthy items to the Town of Zionsville Town Council.

Section 4. The Town Council of the Town of Zionsville asks the Director of Finance and Records to advise the Town of Zionsville Town Council of any changes in the policy on materiality and process for reporting material items.

Section 5. This Resolution shall be in full force and effect upon its passage and signing by the Mayor.

**DULY PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_ 2016, by the Town Council of the Town of Zionsville, Boone County, Indian, having been passed by a vote of \_\_\_\_ in favor and \_\_\_\_\_ opposed:

**TOWN COUNCIL OF THE TOWN OF ZIONSVILLE,  
BOONE COUNTY, INDIANA**

	<b>YAY</b> Signature	<b>NAY</b> Signature
<b>Susana Suarez, President</b>		
<b>Elizabeth Hopper, Vice President</b>		
<b>Kevin Spees, Member</b>		
<b>Bryan Traylor, Member</b>		
<b>Thomas Schuler, Member</b>		
<b>Jeff Papa, Member</b>		
<b>Josh Garrett, Member</b>		

I hereby certify that the foregoing Resolution was delivered to Town of Zionsville Mayor Timothy R. Haak on the \_\_\_\_\_ day of \_\_\_\_\_ 2016, at \_\_\_\_\_ m.

ATTEST:

\_\_\_\_\_  
Amelia Anne Lacy, Director  
Department of Finance and Records

**MAYOR'S APPROVAL**

\_\_\_\_\_  
**Timothy R. Haak, Mayor**

\_\_\_\_\_  
**DATE**

**MAYOR'S VETO**

\_\_\_\_\_  
**Timothy R. Haak, Mayor**

\_\_\_\_\_  
**DATE**